

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

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| In re: W.R. GRACE & CO., <i>et al.</i>, Debtors. | § § § § § § § | Chapter 11 Jointly Administered Case No. 01-01139 (KJC) |
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**FEE AUDITOR’S FINAL REPORT REGARDING JANUARY 2014 MONTHLY
APPLICATION, FEBRUARY 2014 MONTHLY APPLICATION, AND FINAL
VERIFIED APPLICATION OF THE LAW OFFICES OF ROGER J. HIGGINS, LLC,
FOR COMPENSATION FOR SERVICES AND REIMBURSEMENT OF EXPENSES
FOR THE PERIOD FROM JANUARY 1, 2011 THROUGH FEBRUARY 3, 2014**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the January 2014 Monthly Application, February 2014 Monthly Application, and Final Verified Application of the Law Offices of Roger J. Higgins, LLC, for Compensation for Services and Reimbursement of Expenses for the Period from January 1, 2011, through February 3, 2014 (the “Applications”).

BACKGROUND

1. The Law Offices of Roger J. Higgins, LLC (“Higgins”), was retained as co-counsel to the Debtors and Debtors-in-Possession. In the Applications, Higgins seeks approval of fees and expenses as follows: fees totaling \$120,032.50 and expenses totaling \$1,665.88 for its services from January 1, 2014 through January 31, 2014 (the “January 2014 Monthly Application”); fees totaling \$11,685.00 and no expenses for its services from February 1, 2014 through February 3, 2014 (the

“February 2014 Monthly Application”); and final approval of fees totaling \$3,046,118.00¹ and expenses totaling \$73,603.47² for its services from January 1, 2011 through February 3, 2014 (the “Final Application” or “Final Application Period”).

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Applications in their entirety, including each of the time and expense entries included in the exhibits to the Applications, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2014, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, Issued January 30, 1996 (the "Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We emailed an inquiry to Higgins based upon our review, and we received a response from Higgins, portions of which response are reflected herein.

DISCUSSION

¹We note that the total of the fees requested in Higgins' 12 prior fee applications, plus the compensation sought for January 2014 and February 2014, is \$3,048,318.50. It appears that Higgins has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 7, to arrive at the figure it seeks of \$3,046,118.00. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

²We note that the total of the expenses requested in Higgins' 12 prior fee applications, plus the expenses sought for January 2014 and February 2014, is \$73,691.05. It appears that Higgins has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 7, to arrive at the figure it seeks of \$73,603.47. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

January 2014

3. We have no issues with, or objections to, the fees and expenses in Higgins' January 2014 Monthly Application.

4. Thus, we recommend approval of \$120,032.50 in fees and \$1,665.88 in expenses for Higgins' services for January 2014.

February 2014

5. We have no issues with, or objections to, the fees and expenses in Higgins' February 2014 Monthly Application.

6. Thus, we recommend approval of \$11,685.00 in fees for Higgins' services for February 2014.

Prior Interim Applications

7. We note that we previously filed the following final reports for Higgins' prior interim applications, which final reports we incorporate by reference herein, and we also note the following orders that ruled on Higgins' prior interim fee applications:

40th Period: Fee Auditor's Final Report Regarding Quarterly Interim Application of Baer Higgins Fruchtmann LLC for the Interim Period from January 1, 2011 through March 31, 2011 (Docket #27536), filed on or about August 31, 2011, in which we recommended approval of fees totaling \$340,732.50 and expenses totaling \$20,407.62, reflecting our recommended reductions of \$1,140.00 in fees and \$12.10 in expenses, as further explained in paragraphs 3 and 5 of that final report. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Fortieth Period, dated

September 20, 2011 (Docket #27622).

41st Period: Fee Auditor's Final Report Regarding Quarterly Interim Application of Baer Higgins Fruchtmann LLC for the Interim Period from April 1, 2011 through June 30, 2011 (Docket #27667), filed on or about September 27, 2011, in which we recommended approval of fees totaling \$443,342.50 and expenses totaling \$15,238.14. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-First Period, dated December 14, 2011 (Docket #28150).

42nd Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-Second Interim Period (Docket #28548), filed on or about February 20, 2012, in which we recommended approval of fees totaling \$359,307.50 and expenses totaling \$7,656.14. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Second Period, dated March 23, 2012 (Docket #28705).

43rd Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-Third Interim Period (Docket #28900), filed on or about May 9, 2012, in which we recommended approval of fees totaling \$307,055.00 and expenses totaling \$5,955.81, reflecting our recommended reduction of \$62.50 in fees, as further explained in footnote 10 of that final report. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-

Third Period, dated June 14, 2012 (Docket #29054).

44th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-Fourth Interim Period (Docket #29449), filed on or about August 13, 2012, in which we recommended approval of fees totaling \$292,480.00 and expenses totaling \$6,106.45. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Fourth Period, dated October 19, 2012 (Docket #29746).

45th Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-Fifth Interim Period (Docket #29988), filed on or about December 4, 2012, in which we recommended approval of fees totaling \$192,137.50 and expenses totaling \$2,838.97. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Fifth Period, dated December 11, 2012 (Docket #30036).

46th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-Sixth Interim Period (Docket #30382), filed on or about March 7, 2013, in which we recommended approval of fees totaling \$114,125.00 and expenses totaling \$2,350.40. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Sixth Period, dated March 27, 2013 (Docket #30440).

47th Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-Seventh Interim Period (Docket #30840), filed on or about July 17, 2013, in which we recommended approval of fees totaling \$163,978.50 and expenses totaling \$3,528.77. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Seventh Period, dated July 31, 2013 (Docket #30907).

48th Period: Fee Auditor's Final Report Regarding Quarterly Application of The Law Offices of Roger J. Higgins, LLC, for the Interim Period from January 1, 2013 through March 31, 2013 (Docket #30764), filed on or about June 20, 2013, in which we recommended approval of fees totaling \$202,682.00 and expenses totaling \$1,880.81, reflecting our recommended reductions of \$855.50 in fees and \$75.49 in expenses as further explained in paragraphs 3 and 4 of that final report. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Eighth Period, dated September 24, 2013 (Docket #31158).

49th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-Ninth Interim Period (Docket #31404), filed on or about November 26, 2013, in which we recommended approval of fees totaling \$167,485.00 and expenses totaling \$2,125.47. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Ninth Period, dated December 17,

2013 (Docket #31482).

50th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Fiftieth Interim Period (Docket #31838), filed on or about March 11, 2014, in which we recommended approval of fees totaling \$133,427.50 and expenses totaling \$1,705.00, reflecting our recommended reduction of \$142.50 in fees, as further explained in footnote 11 of that final report. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Fiftieth Period, dated March 31, 2014 (Docket #31963).

51st Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Fifty-First Interim Application Period (Docket #32197), filed on or about May 13, 2014, in which we recommended approval of fees totaling \$197,647.50 and expenses totaling \$2,144.00. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Fifty-First Period, dated May 23, 2014 (Docket #32216).

8. We have reviewed the final reports and orders allowing fees and expenses for the prior interim periods, and we do not believe there is any reason to change any of the amounts awarded for the prior interim periods.

CONCLUSION

9. Thus, we recommend final approval of \$3,046,118.00³ in fees and \$73,603.46 in expenses (\$73,603.47⁴ minus \$0.01)⁵ for Higgins' services for the Final Application Period.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.



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FEE AUDITOR

³We note that the total of the fees requested in Higgins' 12 prior fee applications, plus the compensation sought for January 2014 and February 2014, is \$3,048,318.50. It appears that Higgins has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 7, to arrive at the figure it seeks of \$3,046,118.00. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

⁴We note that the total of the expenses requested in Higgins' 12 prior fee applications, plus the expenses sought for January 2014 and February 2014, is \$73,691.05. It appears that Higgins has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 7, to arrive at the figure it seeks of \$73,603.47. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

⁵We noted that although Higgins requested final approval of expenses totaling \$73,603.47, we calculated Higgins' final expenses at \$73,603.46, for a difference of \$0.01. The reason for the discrepancy is that on p. 2 of the Final Application, Higgins listed its expenses for the Forty-Fourth Interim Period as \$6,106.46, when the correct amount of expenses was \$6,106.45. Thus, we recommend that Higgins' final expense request be reduced by \$0.01 to correct the error.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served by First Class United States mail to the attached service list on this 17th day of July, 2014.



Warren H. Smith

SERVICE LIST

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